

## Message Text

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70

ACTION EB-07

INFO OCT-01 AF-06 ISO-00 AGR-05 CEA-01 CIAE-00 DODE-00

FRB-03 H-02 INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05

PA-01 AID-05 CIEP-01 SS-15 STR-04 TAR-01 TRSE-00

USIA-06 PRS-01 SP-02 OMB-01 FEA-01 /086 W

----- 003291

R 271150Z MAR 75

FM AMEMBASSY DAR ES SALAAM

TO SECSTATE WASHDC 7749

INFO USDOC WASHDC

AMEMBASSY NAIROBI

AMCONSUL ZANZIBAR UNN

LIMITED OFFICIAL USE DAR ES SALAAM 0893

E.O.11652: N/A

TAGS: EINV, ETRD, BTIO, TZ

SUBJECT: COMPENSATION CLAIMS ON AMCIT-OWNED KILIMANJARO  
COFFEE ESTATES

REF: A) DAR ES SALAAM 0776;B) DAR ES SALAAM 4015

(DECEMBER 9, 1974)

1. IN REF B WE OBSERVED THAT COMPENSATION AWARDS ON  
KILIMANJARO NATIONALIZED COFFEE ESTATES, WHERE THERE HAD  
BEEN AMCIT OWNERSHIP, ARE LIKELY TO BE MODEST AND RECOMMEND-  
ED, IN THIS REGARD, THAT DEPARTMENT OFFICER ROUTINELY  
DRAW TO ATTENTION TANZANIA EMBASSY OFFICER THE CONTENT  
OF TITLE V OF TRADE ACT.

2. WE HAVE JUST LEARNED INFORMALLY THAT TANGOV HAS ALSO  
COME TO RECOGNIZE THAT COFFEE ESTATE COMPENSATION AWARDS  
THEY HAVE PREPARED ARE TOO LOW AND, THEREFORE, HAVE  
SUSPENDED ISSUANCE OF AWARDS. ENTIRE MATTER IS NOW  
UNDER REVIEW BY "HIGH LEVEL COMMITTEE" AND WE KNOW THAT  
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MINFIN LEGAL ADVISOR HAS GONE TO KILIMANJARO REGION FOR

TWO WEEKS TO INVESTIGATE FURTHER SUBJECT OF COMPENSATION AWARDS. APPARENTLY THIS ACTIVITY IS PRELUDE TO PREPARATION OF HIGHER COMPENSATION AWARDS. KEY TO SITUATION IS BRITISH INSISTANCE THAT KILIMANJARO COFFEE ESTATE COMPENSATION AWARDS HAVE SOME RELATIONSHIP TO SIZE OF COMPENSATION AWARDS ON BRITISH-OWNED FARMS THAT THE UK IS ON VERGE OF PAYING OFF FOR TANGOV UNDER TERMS OF BRITISH AID LOAN. IN VIEW THIS SITUATION, IS DOUBLY IMPORTANT THAT DEPT CHOOSE TIME ASAP TO DISCREETLY EXPLAIN TANZANIAN EMBASSY PERTINENT PASSAGES OF TRADE ACT WHICH WOULD APPLY TO TANZANIA IF ADEQUATE COMPENSATION IS NOT RPT NOT MADE ON AMCIT COMPENSATION CLAIMS.

3. ALSO, IT QUITE APPARENT THAT TANGOV IS ABOUT TO TAKE STEPS TO PUBLICLY ENCOURAGE US INVESTORS TO SEEK PROJECTS IN TANZANIA. THIS WEEK WE LEARNED TANGOV IS NEGOTIATING WITH WALL STREET JOURNAL FOR PAGE ADVERT (TO APPEAR IN JUNE) TO PROCLAIM ITS DESIRE TO RECRUIT U.S. CAPITAL INVESTMENT. PRIME MOVER IN THIS REGARD, WE UNDERSTAND, IS TANZANIAN EMBASSY IN WASHINGTON. WITH FOREGOING IN MIND, WE BELIEVE IT WOULD BE USEFUL FOR DEPT OFFICER, WHEN DISCUSSING COFFEE NATIONALIZATION/TRADE ACT MATTER TO REFER TO RECENT OVERTURES TO US INVESTORS (SEE REF B) AND QUIETLY EXPLAIN HOW DIFFICULT IT IS FOR USG AGENCIES TO ENCOURAGE US ENTREPRENEURS TO TAKE INTEREST IN TANZANIA WHEN THERE ARE COMPENSATION CLAIMS OUTSTANDING. WHEN MAKING THIS POINT, NO RPT NO MENTION OF WALL STREET JOURNAL ARTICLE SHOULD BE MADE.  
CARTER

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NNN

## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Subject:** COMPENSATION CLAIMS ON AMCIT-OWNED KILIMANJARO COFFEE ESTATES  
**TAGS:** EINV, ETRD, BTIO, TZ, US  
**To:** STATE  
**Type:** TE  
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